REMARKS:

Claims 1-32 are currently pending in the application.

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 7.058.602 to La Mura et al. ("La Mura"), in view of U.S. Patent

No. 6,871,191 to Kinney Jr. et al. ("Kinney"), in view of U.S. Patent No. 6,871,191 to

Johnson et al. ("Johnson"), and in further view of U.S. Patent No. 6,952,682 to Wellman

("Wellman").

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over La

Mura in view of Kinney in view of Wellman and in further view of U.S. Patent No.

7,039,603 to Walker et al. ("Walker").

The Applicant respectfully submits that all of the Applicant's arguments are without prejudice or disclaimer. In addition, the Applicant has merely discussed example

distinctions from the cited prior art. Other distinctions may exist, and as such, the

Applicant reserves the right to discuss these additional distinctions in a future Response or

on Appeal, if appropriate. The Applicant further respectfully submits that by not

responding to additional statements made by the Examiner, the Applicant does not

acquiesce to the Examiner's additional statements. The example distinctions discussed by

the Applicant are considered sufficient to overcome the Examiner's rejections.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 1-5, 7, 9-15, 17, 19-25, 27, and 29-32 stand rejected under 35 U.S.C. §

103(a) over La Mura in view of Kinney, in view of Johnson, and in further view of Wellman.

Claims 6, 8, 16, 18, 26, and 28 stand rejected under 35 U.S.C. § 103(a) over La

Mura in view of Kinney in view of Wellman and in further view of Walker.

The Applicant respectfully submits that La Mura, Kinney, Johnson, Wellman, or

Walker, either individually or in combination, fail to disclose, teach, or suggest each and

every element of Claims 1-32. Thus, the Applicant respectfully traverses the Examiner's obvious rejection of Claims 1-32 under 35 U.S.C. § 103(a) over the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker, either individually or in combination.

The Proposed La Mura-Kinney-Wellman-Johnson-Walker Combination Fails to Disclose, Teach, or Suggest Various Limitations Recited in Applicant's Claims

For example, with respect to independent Claim 1, this claim recites:

An electronic marketplace comprising one or more computers collectively supporting a market having two sides and in which there are generally fewer market participants associated with the first side than with the second side, each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants, the one or more computers collectively operable to:

receive offers from market participants associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity:

prioritize among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme, the prioritization among such equally priced offers determining the order in which they are matched with other offers:

match a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and

determine a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices. (Emphasis Added).

In addition, La Mura, Kinney, Johnson, Wellman, or Walker, either individually or in combination, fail to disclose, teach, or suggest each and every element of independent Claims 11, 21, 31, and 32.

The Office Action Acknowledges that *La Mura* Fails to Disclose Various Limitations Recited in Applicant's Claims

The Applicant respectfully submits that the Office Action acknowledges, and the Applicant agrees, that La Mura fails to disclose various limitations recited in independent Claim 1. Specifically the Examiner acknowledges that La Mura fails to disclose "an electronic marketplace in which there are generally substantially fewer market participant associated with the first side generally having a substantially greater market capacity than each market participant associated with the second side, the second side being substantially open such that offers associated with the second side are substantially accessible to substantially all of the market participants, the one or more computers collectively operable to: receive offers from market participants associated with the first side and from market participants associated with the second side, each offer comprising at least an offered price and an offered quantity; prioritize among any offers associated with the first side that comprise substantially equal offered prices and among any offers associated with the second side that comprise substantially equal offered prices according to a predetermined prioritization scheme, the prioritization among such substantially equally priced offers determining the order in which they are matched with other offers: match a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer; and determine a strike price for the match between the first offer and the second offer based on the relationship between the first and second offered prices." (20 April 2007 Office Action. Pages 4-5). However, the Examiner asserts that the cited portions of Kinney and Wellman disclose the acknowledged shortcomings in La Mura. The Applicant respectfully traverses the Examiner's assertions regarding the subject matter disclosed in Kinney and Wellman.

The Applicant respectfully submits that Kinney fails to disclose, teach, or suggest independent Claim 1 limitations regarding an "electronic marketplace" and in particular Kinney fails to disclose, teach, or suggest independent Claim 1 limitations regarding "an electronic marketplace" in which "there are generally fewer market participants associated with the first side than with the second side, each market participant

associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants". In particular, it appears that the Examiner is equating in the "electronic marketplace" recited in independent Claim 1 with the "electronic online auctions" disclosed in Kinney. (3 October 2007 Final Office Action, Page 3). However, Kinney fails to teach, suggest, or even hint at the "electronic marketplace" as recited in independent Claim 1 limitations, because, among other things, Kinney admits, an auction inherently is one-sided, and thus is not an "electronic marketplace" as recited in independent Claim 1 with a first side and a second side. (Column 4, Lines 8-10). In contrast, the "electronic marketplace" recited in independent Claim 1 comprises a market having two sides and in which there are generally fewer market participants associated with the first side than with the second side, each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants. the second side being open such that offers associated with the second side are accessible to the market participants. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between Kinney and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from Kinnev.

The Applicant further respectfully submits that Wellman fails to disclose, teach, or suggest independent Claim 1 limitations regarding an "electronic marketplace" and in particular Wellman fails to disclose, teach, or suggest independent Claim 1 limitations regarding "prioritize[ing] among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme, the prioritization among such equally priced offers determining the order in which they are matched with other offers". In particular, the Examiner equates the

"predetermined prioritization scheme" recited in independent Claim 1 with the statement that Wellman "clearly show[s] a prioritization is being conducted". (3 October 2007 Final Office Action, Page 4). The Applicant respectfully disagrees, in fact, the system of Wellman merely prioritizes "bid pairs" which are matches between a buyer and a seller in an auction context. (Column 9, Lines 27-33). However, the system of Wellman fails to teach, suggest, or even hint at a "predetermined prioritization scheme". "prioritize[ing] among any offers associated with the first side that comprise equal offered prices", or "prioritize[ing] among [...] any offers associated with the second side that comprise equal offered prices". In addition, because Wellman fails to teach, suggest, or even hint at a market having "first side" or a "second side" Wellman simply cannot disclose, teach, or suggest "prioritize[ing] among any offers associated with the first side that comprise equal offered prices and among any offers associated with the second side that comprise equal offered prices according to a predetermined prioritization scheme, the prioritization among such equally priced offers determining the order in which they are matched with other offers", as recited in independent Claim 1. Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between Wellman and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from Wellman.

The Applicant still further respectfully submits that Johnson fails to disclose, teach, or suggest independent Claim 1 limitations regarding "a market having two sides and in which there are generally fewer market participants associated with the first side than with the second side, each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side, the first side being sealed such that offers associated with the first side are inaccessible to the market participants, the second side being open such that offers associated with the second side are accessible to the market participants". In particular, it appears that the Examiner is equating "each market participant associated with the first side generally having a greater market capacity than each market participant associated with the second side" recited in independent Claim 1 with the statement that "Johnson teaches that in an energy auction system there are energy suppliers and end users". (3

October 2007 Final Office Action, Page 5). However, the system of *Johnson* is merely "[a]n auction service...that stimulates competition between energy suppliers" and utilizes a computer to determine which of the bidding energy suppliers will be able to supply power to end users and the end users are not involved in the process. (Column 5, Lines 61-66). Accordingly, the system of *Johnson* fails to teach, suggest, or even hint at a "second side" or "market participants associated with the second side". Thus, the Applicant respectfully submits that the equations forming the foundation of the Examiner's comparison between *Johnson* and independent Claim 1 cannot be made. The Applicant further respectfully submits that these distinctions alone are sufficient to patentably distinguish independent Claim 1 from *Johnson*.

The Applicants yet further respectfully submit that the allegation in the present Office Action that that the proposed combination of La Mura, Kinney, Johnson, and Wellman discloses all of the claimed limitations is respectfully traversed. Further, it is respectfully noted that the Office Action provides no concise explanation as to how the proposed combination of La Mura, Kinney, Johnson, and Wellman is considered to anticipate all of the limitations in independent Claim 1. For example, the Office Action fails to provide any explanation how the proposed combination of La Mura, Kinney, Johnson, and Wellman discloses independent Claim 1 limitations regarding "match[ing] a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer based on the relationship between the first offer and the second offer based on the relationship between the first and second offered prices".

The Applicants respectfully point out that "it is incumbent upon the examiner to identify wherein each and every facet of the claimed invention is disclosed in the applied reference." Ex parte Levy, 17 U.S.P.Q.2d (BNA) 1461, 1462 (Pat. & Tm. Off. Bd. Pat. App. & Int. 1990). Thus, if the Examiner continues to maintain the rejection of independent Claim 1 over the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman*, the Applicant respectfully requests the Examiner to provide a concise explanation as to how the proposed combination of *La Mura*, *Kinney*, *Johnson*, and *Wellman* discloses

independent Claim 1 limitations regarding "match[ing] a first offer associated with the first side with a second offer associated with the second side according to a relationship between a first offered price associated with the first offer and a second offered price associated with the second offer" and "determin[ing] a strike price for the match

between the first offer and the second offer based on the relationship between the

first and second offered prices".

The Office Action Fails to Properly Establish a *Prima Facie* case of Obvious over the Proposed *Huang-Narimatsu* Combination According to the UPSTO Examination

Guidelines

The Applicant respectfully submits that the Office Action fails to properly establish a prima facie case of obviousness based on the proposed combination of La Mura, Kinney, Johnson, Wellman, or Walker, either individually or in combination, and in particular, the Office Action fails to establish a prima facie case of obviousness based on the "Examination Guidelines for Determining Obviousness Under 35 U.S.C. 103 in View of the

Supreme Court Decision in KSR International Co. v. Teleflex Inc." (the "Guidelines").

As reiterated by the Supreme Court in KSR International Co. v. Teleflex Inc. (KSR), the framework for the objective analysis for determining obviousness under 35 U.S.C. 103 is stated in Graham v. John Deere Co. (383 U.S. 1, 148 USPQ 459 (1966)). Obviousness is a question of law based on underlying factual inquiries. These factual inquiries enunciated by the Court are as follows:

(1) Determining the scope and content of the prior art;

(2) Ascertaining the differences between the claimed invention and the prior art; and

(3) Resolving the level of ordinary skill in the pertinent art.

inquiry that controls." (KSR, 550 U.S. at ___, 82 USPQ2d at 1391).

(Notice, 72 Fed. Reg. 57527 (Oct. 10, 2007)). Objective evidence relevant to the issue of obviousness must be evaluated by Office personnel. (383 U.S. 17–18, 148 USPQ 467 (1966)). As stated by the Supreme Court in KSR, "While the sequence of these questions might be reordered in any particular case, the [Graham] factors continue to define the

However, it is important to note that the Guidelines require that Office personnel "ensure that the written record includes findings of fact concerning the state of the art and the teachings of the references applied. (Notice, 72 Fed. Reg. 57527 (Oct. 10, 2007)). In addition, the Guidelines remind Office personnel that the "factual findings made by Office personnel are the necessary underpinnings to establish obviousness." (id.). Further, "Office personnel must provide an explanation to support an obviousness rejection under 35 U.S.C. 103. (id.). In fact, "35 U.S.C. 132 requires that the applicant be notified of the reasons for the rejection of the claim so that he or she can decide how best to proceed" and "clearly setting forth findings of fact and the rationale(s) to support a rejection in an Office action leads to the prompt resolution of issues pertinent to patentability." (id.).

With respect to the subject application, the Office Action has not shown the factual findings necessary to establish obviousness or even an explanation to support the obviousness rejection based on the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker. The Office Action merely states that Kinney provides "details about buyers and sellers", that Wellman teaches a "clearing process", that Johnson teaches "that there can be different types of sellers and buyers", and that Walker teaches a "settlement system can arrange for a buyer to purchase a product from a seller at a first place". (3 October 2007 Final Office Action, Page 6). The Applicant respectfully disagrees and respectfully submits that the Examiner's conclusory statement is not sufficient to establish the factual findings necessary to establish obviousness and is not a sufficient explanation to support the obviousness rejection based on the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker.

The Guidelines further provide guidance to Office personnel in "determining the scope and content of the prior art" such as, for example, "Office personnel must first obtain a thorough understanding of the invention disclosed and claimed in the application." (Notice, 72 Fed. Reg. 57527 (Oct. 10, 2007)). The scope of the claimed invention must be clearly determined by giving the claims the "broadest reasonable interpretation consistent with the specification." (See Phillips v. AWH Corp., 415 F.3d 1303, 1316, 75 USPQ2d 1321, 1329 (Fed. Cir. 2005) and MPEP § 2111.). In addition, the Guidelines state that any

"obviousness rejection should include, either explicitly or implicitly in view of the prior art applied, an indication of the level of ordinary skill." (Notice, 72 Fed. Reg. 57528 (Oct. 10, 2007)). With respect to the subject Application, the Office Action has not provided an indication of the level of ordinary skill.

The Guidelines still further provide that once the *Graham* factual inquiries are resolved, Office personnel must determine whether the claimed invention would have been obvious to one of ordinary skill in the art. (*Id.*). For example, the Guidelines state that *Office personnel must explain why the difference(s) between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art. (<i>Id.*). In addition, the Guidelines state that the proper analysis is *whether the claimed invention would have been obvious to one of ordinary skill in the art after consideration of all the facts. (<i>Id.* and See 35 U.S.C. 103(a)).

With respect to the subject Application, the Office Action has not expressly resolved any of the *Graham* factual inquiries to determine whether Applicants invention would have been obvious to one of ordinary skill in the art. In addition, the Office Action fails to explain why the difference(s) between the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker and the Applicant's claimed invention would have been obvious to one of ordinary skill in the art. The Office Action merely states that "so that transactions can take place electronically". (3 October 2007 Final Office Action, Page 6). The Applicant respectfully disagrees and further respectfully requests clarification as to how this statement explains why the difference(s) between the proposed combination of La Mura, Kinney, Johnson, Wellman, and Walker and the Applicant's claimed invention would have been obvious to one of ordinary skill in the art. The Applicant further respectfully submits that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a).

The Guidelines yet further state that the "key to supporting any rejection under 35 U.S.C. 103 is the *clear articulation of the reason(s) why the claimed invention would have been obvious.*" (Notice, 72 Fed. Reg. 57528 (Oct. 10, 2007)). In fact, the Supreme

Court in KSR noted that "the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit." (id.). The Court quoting In re Kahn (441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)), stated that "'[R]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." (KSR, 550 U.S. at __, 82 USPQ2d at 1396). The Guidelines provide the following seven rationales:

- (A) Combining prior art elements according to known methods to yield predictable results:
- (B) Simple substitution of one known element for another to obtain predictable results;
- (C) Use of known technique to improve similar devices (methods, or products) in the same way;
- (D) Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results;
- (E) "Obvious to try"—choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success;
- (F) Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations would have been predictable to one of ordinary skill in the art;
- (G) Some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

The Applicant respectfully submits that the Office Action fails to provide any articulation, let alone, clear articulation of the reasons why the Applicant's claimed invention would have been obvious. For example, the Examiner has not adequately supported the selection and combination of La Mura, Kinney, Johnson, Wellman, and Walker to render obvious the Applicant's claimed invention. The Examiner's unsupported conclusory statements that Kinney provides "details about buyers and sellers", that Wellman teaches a "clearing process", that Johnson teaches "that there can be different types of sellers and buyers", that Walker teaches a "settlement system can arrange for a buyer to purchase a product from a seller at a first place" and "so that transactions can take place electronically", does not adequately provide clear articulation of the reasons why the Applicant's claimed invention would have been

obvious. (3 October 2007 Final Office Action, Page 6). In addition, the Examiner's unsupported conclusory statement fails to meet any of the Guidelines rationales to render obvious the Applicant's claimed invention.

Thus, if the Examiner continues to maintain the obvious rejection based on the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, and *Walker*, the Applicant respectfully requests that the Examiner provide proper support for the obviousness rejection under 35 U.S.C. 103 as necessitated by the Guidelines.

The Applicant's Claims are Patentable over the Proposed La Mura-Kinney-Johnson-Wellman-Walker Combination

Independent Claims 11, 21, 31, and 32 are considered patentably distinguishable over the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker* for at least the reasons discussed above in connection with independent Claim 1.

With respect to dependent Claims 2-10, 12-20, and 22-30: Claims 2-10 depend from independent Claim 1; Claims 12-20 depend from independent Claim 11; and Claims 22-30 depend from independent Claim 21. As mentioned above, each of independent Claims 11, 21, 31, and 32 include limitations similar to those discussed above in connection with independent Claim 1. Thus, dependent Claims 2-10, 12-20, and 22-30 are considered patentably distinguishable over the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker* for at least the reasons of depending from an allowable claim and are therefore considered to be in condition for allowance.

For at least the reasons set forth herein, the Applicant respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention. The Applicant further respectfully submits that Claims 1-32 are not rendered obvious by the proposed combination of *La Mura*, *Kinney*, *Johnson*, *Wellman*, or *Walker*, or in knowledge generally available to those of ordinary skill in the art at the time of the invention, and are in condition for allowance. Thus, the

Applicant respectfully request that the rejection of Claims 1-32 under 35 U.S.C. § 103(a) be reconsidered and that Claims 1-32 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there *must be something in the prior art as a whole to suggest the desirability*, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art. not in the

Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991; *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

In view of the foregoing amendments and remarks, this application is considered to

be in condition for allowance, and early reconsideration and a Notice of Allowance are

earnestly solicited.

Although the Applicant believes no fees are deemed to be necessary; the

undersigned hereby authorizes the Director to charge any additional fees which may be

required, or credit any overpayments, to **Deposit Account No. 500777**. If an extension of

time is necessary for allowing this Response to be timely filed, this document is to be $\ensuremath{\mathsf{E}}$

construed as also constituting a Petition for Extension of Time Under 37 C.F.R. \S 1.136(a)

to the extent necessary. Any fee required for such Petition for Extension of Time should

be charged to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be

checked via the PAIR System.

Respectfully submitted,

3 December 2007 Date /Steven J. Laureanti/signed

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